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VIA E-MAIL: regs.comments@federalreserve.gov

November 18, 2004

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington DC 20551

Re: 12 CFR Part 205 – Regulation E
Docket No.: R-1210

Dear Ms. Johnson:

Empire Corporate Federal Credit Union ("Empire") is pleased to provide comments to the Federal Reserve Board's (the "Board") proposed regulation (the "Proposal") to amend Regulation E to address coverage of electronic check conversion services and those providing the services. Empire is a wholesale corporate credit union that provides liquidity, item processing, investment and other financial services to over 1,000 member credit unions.

In general, Empire supports the proposal. Empire's specific comments are set forth below.

The Board is proposing to exercise its authority under section 904(d) of the Electronic Funds Transfer Act to require persons, such as merchants and other payees, that initiate a one-time EFT using information from the consumer's check, draft or similar paper instrument to provide notice to obtain a consumer's authorization for the transfer.

Empire is supportive of this proposed change. Empire believes that adequate notice is an essential element of informed consent. As such, it makes sense that the person initiating a one-time EFT be required to obtain the consent of the person whose account is being debited.

The Board is also proposing a model clause in Appendix A-6 to allow a payee to use the information from a consumer's check to make a one-time EFT or to process the transaction as a check.

Empire also supports this proposed change. Empire believes this would allow a payee the flexibility to choose which form of processing will be most efficient and cost effective on a case-by-case basis. It also believes this is consistent with the flexibility provided under Check 21.

Empire appreciates the opportunity to comment on this important rulemaking. If you have any questions regarding Empire's comments, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, reading "Christiane G. Hyland". The signature is fluid and cursive, with a long horizontal line extending from the end of the name.

Christiane G. Hyland
SVP, General Counsel

cc: Mike Canning, Executive Director, ACCU
Mike Carter, Regulatory Advocacy Coordinator, NYSCUL
Kimberly Dewey, Associate Director, Regulatory Affairs, NAFCU